

**THE OFFICE OF REGULATORY STAFF  
DIRECT TESTIMONY AND EXHIBITS  
OF  
JAY R. JASHINSKY**

RECEIVED  
JUL 11 2005  
OFFICE OF REGULATORY STAFF



**DOCKET NO. 2005-6-G**

**Annual Review of Purchased Gas  
Adjustment (PGA) and Gas Purchasing  
Policies**

1 DIRECT TESTIMONY OF  
2 JAY R. JASHINSKY  
3 ON BEHALF OF  
4 THE OFFICE OF REGULATORY STAFF  
5 DOCKET NO. 2005-6-G  
6

7 Q. PLEASE STATE FOR THE RECORD YOUR NAME, BUSINESS ADDRESS,  
8 AND OCCUPATION.

9 A. My name is Jay R. Jashinsky. My business address is 1441  
10 Main Street, Suite 300, Columbia, S.C. I am employed by  
11 the Office of Regulatory Staff as Director of Auditing.

12 Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

13 A. I received a BS Degree in Business Administration with a  
14 concentration in Accounting from the University of South  
15 Carolina in 1977. I am licensed as a Certified Public  
16 Accountant, certified in the States of South Carolina,  
17 Georgia, Florida and Virginia. I have more than twelve  
18 years experience conducting audits in accordance with  
19 generally accepted auditing standards, generally accepted  
20 government auditing standards and auditing standards  
21 prescribed by the U.S. Office of Management and Budget. I  
22 also have six years experience as an officer in the U.S.  
23 Navy and nine years experience in the management and  
24 execution of Federal government contracts with the Naval  
25 Sea Systems Command. I joined the Office of Regulatory  
26 Staff in December, 2004 following more than ten

1 consecutive years of performing audits in the public and  
2 private sectors.

3 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY INVOLVING SOUTH  
4 CAROLINA PIPELINE CORPORATION?

5 A. Commission Order No. 87-1122 provided that an annual  
6 review be conducted of South Carolina Pipeline Company's  
7 Purchased Gas Adjustment (PGA) and Gas Purchasing  
8 Policies. The Company's current procedures were approved  
9 by the Commission in Docket No. 2004-6-G, Order No. 2004-  
10 510 dated October 19, 2004.

11 In accordance with the above referenced order, the ORS  
12 Audit Staff has reviewed the Company's gas costs for the  
13 period January 2004 through December 2004.

14 The purpose of my testimony is to present the ORS Audit  
15 Staff's findings and recommendations resulting from our  
16 review of the Company's gas costs for this period.

17 Q. IN CONNECTION WITH YOUR REVIEW, DID YOU PREPARE OR CAUSE  
18 TO BE PREPARED, CERTAIN EXHIBITS?

19 A. Yes, the ORS Audit Staff has prepared Audit Exhibits JRJ-1  
20 through JRJ-5 in connection with this review.

21 Q. WOULD YOU PLEASE DESCRIBE THESE EXHIBITS AND DISCUSS THEIR  
22 RELEVANCE TO THESE PROCEEDINGS?

23 A. Audit Exhibit JRJ-1 summarizes the computation of the  
24 Company's Cost of Gas for the period under review,

1 including a summary of hedging activity for the year and  
2 cumulatively from inception through December 2004. The  
3 exhibit's format is as follows:

4 Invoice Costs - Amounts shown reflect long-term contract  
5 and spot market purchases delivered via the Transco and  
6 Southern systems, by month, for the review period.  
7 Purchases received through the Transco system totaled  
8 \$144,334,975 and those through the Southern system totaled  
9 \$371,525,623 for total invoice costs for the review period  
10 of \$515,860,598.

11 Storage - These amounts reflect gas purchased and either  
12 injected into or withdrawn from holding facilities  
13 provided by the Transco and Southern interstate pipeline  
14 systems. The cost of gas injected into storage is  
15 deducted from the invoice cost in order to calculate the  
16 cost of gas as it has not yet been sold. Conversely, the  
17 cost of gas withdrawn from these storage facilities is  
18 added to invoice cost reflecting its current use.

19 During the period under review, gas costing \$7,103,543 was  
20 injected into Transco storage facilities and \$32,143,283  
21 into Southern facilities.

22 Gas costing \$4,237,682 was withdrawn from Transco  
23 facilities and \$21,684,981 was withdrawn from Southern.

1 The net impact for the period of all Storage activity was  
2 a deduction of \$13,324,163 from Invoice Costs in arriving  
3 at the Cost of Gas.

4 LNG Operations - Amounts shown in LNG operations represent  
5 the costs of gas either liquefied for off-line storage  
6 (Liquefaction) or returned to a gaseous state (Boil-off  
7 and Vaporization) for current use.

8 In the same manner as Storage injections, liquefaction  
9 reduces the Invoice Cost of gas purchases in arriving at  
10 cost of gas as these costs are associated with storing the  
11 gas for later use.

12 LNG Boil-off and Vaporization represent the cost of the  
13 gas which has been returned to a gaseous state for current  
14 consumption and therefore is added to the Invoice Cost in  
15 calculating Cost of Gas for the period.

16 The total cost of Liquefaction (at the Bushy Park facility  
17 only) totaled \$5,511,033.

18 The cost of Vaporized and Boiled-off (at the Bushy Park  
19 and Sally facilities) totaled \$1,357,339 and \$2,571,516,  
20 respectively.

21 The net impact for the period of all LNG operations was a  
22 deduction of \$1,582,178 from Invoice Costs in arriving at  
23 the Cost of Gas.

1        **Capacity Release** - This amount represents the recovery by  
2        the Company of costs associated with unused pipeline  
3        capacity commitments. In accordance with Commission Order  
4        No. 97-477 dated June 9, 1997, the Company is crediting  
5        Cost of Gas for 100% of capacity released on a current  
6        basis on both Transco and Southern systems and for  
7        negotiations between the Company and third parties. Total  
8        Capacity Release recovery for the review period, and  
9        resultant deduction from Invoice Cost in arriving at the  
10       Cost of Gas, was \$7,664.

11       **Supplier Refunds** - During the months of February, August,  
12       September, October and December 2004, the Company,  
13       received Supplier Refunds from Transco totaling \$32,582.  
14       This amount was a reduction from Invoice Cost in the  
15       calculation of Cost of Gas for the period under review.

16       **Trading (Gains)/Losses/Expenses** - These amounts represent  
17       trading gains and losses, net of applicable brokerage  
18       fees, on the purchase and subsequent exercise or  
19       expiration of gas purchase options and futures contracts.  
20       These trades, referred to as hedging activities, are  
21       conducted pursuant to Commission Order No. 95-1253 which  
22       authorized the Company to include the net gains and losses  
23       from these activities in its calculation of Cost of Gas.  
24       By Order No. 97-477 dated June 9, 1997, the percentage of

1 gas allowed under the program was expanded from 60% to 75%  
2 of System Supply Volume. However, the Company has  
3 traditionally hedged 75% of only its Non-Competitive Sales  
4 Volume.

5 The net impact for the period of all Trading activities  
6 was an addition of \$2,413,135 to Invoice Costs in arriving  
7 at the Cost of Gas.

8 The beginning (January 1, 2004) cumulative loss of  
9 \$4,237,197, plus the current review period loss of  
10 \$2,413,135 results in a Cumulative loss, since inception  
11 of the Hedging Program, of \$6,650,332.

12 Other - These amounts represent the monthly accumulation  
13 of various additions to and deletions from Invoice Costs  
14 in calculating the Cost of Gas.

15 Additions, such as Property Taxes, Odorants, System  
16 Imbalance Premiums paid to the pipeline companies (Transco  
17 and Southern), and Fuel Surcharges totaled \$463,325 for  
18 the period under review.

19 Deductions from Invoice Costs for costs recovered from  
20 intra-company (Urquhart) sales, gas used by the Company  
21 for the movement of gas through the distribution system  
22 and System Imbalance premiums received from the gas  
23 pipeline companies (Transco and Southern) totaled  
24 \$969,236.

1 The net impact for the period of all Other costs was a  
2 reduction of \$505,911 from Invoice Costs in arriving at  
3 the Cost of Gas.

4 As shown on Exhibit JRJ-1, the total Cost of Gas recorded  
5 by the Company for the period under review is  
6 \$502,821,234.

7 Q. WHAT IS INCLUDED ON AUDIT EXHIBIT JRJ-2?

8 A. Audit Exhibit JRJ-2 shows the Company's assignment of gas  
9 costs incurred in conjunction with sales to either non-  
10 Competitive customers (Sale for Resale and Firm  
11 Industrial), to those customers qualifying for purchases  
12 under the Company's Industrial Sales Program (ISPR), or to  
13 the Urquhart plant, an SCE&G electric generating facility.  
14 The total weighted average cost of gas assigned to non-  
15 Competitive customers during the review period was  
16 \$244,791,526, or an average of \$7.88 per dekatherm.  
17 Included in this amount were commodity costs of  
18 \$176,739,324, or an average of \$6.72 per dekatherm,  
19 supplier refunds of (\$32,582), demand costs of \$10,816,703  
20 per Commission Order No. 96-336 in Docket No. 96-007-G and  
21 Capacity Release Credits of (\$7,664) (See Docket No. 97-  
22 009, Order No. 97-477) as discussed on Audit Exhibit JRJ-  
23 1. Risk Management resulting from operation of the hedging  
24 program was an increase to Cost of Gas of \$2,413,135 as



1 discussed on Audit Exhibit JRJ-1, or an average of 0.0777  
2 per dekatherm. Also, items included in total Cost of Gas  
3 assigned to Non-Competitive Customers are Storage  
4 Withdrawals of \$25,460,765, LNG Boil-Off and Vaporization  
5 of \$3,928,854, Other Demand Charges not included in the  
6 WACOG of \$25,782,073, and other Miscellaneous  
7 Charges/Adjustments of \$80,376. Company Use for the review  
8 period includes Compressor Fuel of \$924,457, Unaccounted  
9 For of \$1,229,768, and Company Use Surcharge Refunds of  
10 \$389,458 or a total of \$2,543,683 which is billed to Non-  
11 Competitive customers as a volumetric surcharge to the  
12 costs mentioned above. Including the monthly Company Use  
13 Surcharge for recovery of Company Use and Unaccounted For  
14 results in an average Total Base Rate billed to Non-  
15 Competitive customers of \$7.05. The total effective  
16 average rate assigned to Non-Competitive customers  
17 including Demand, Commodity, and Risk Management is \$7.88.  
18 However, this rate is not billed to customers; the Company  
19 has a two-part Demand and Commodity rate structure  
20 approved by the Commission.

21 Total costs assigned to Plant Urquhart, a refurbished  
22 SCE&G electric generating facility, which began purchasing  
23 gas from SCPC in June 2002, were, for Commodity purchases  
24 \$12,855,703, or an average commodity rate of \$6.10 per

1       dekatherm plus Demand Charges of \$6,623,228, or an average  
2       rate of \$9.24 per dekatherm, including Demand Charges.  
3       SCE&G is purchasing gas for Plant Urquhart under a Firm  
4       Service Agreement between SCPC and SCE&G as approved by  
5       this Commission in Docket No. 2002-168-G, Order No. 2003-  
6       56 dated February 3, 2003.

7       Total costs assigned to customers qualifying for purchases  
8       under the Company's Industrial Sales Program (ISP) were  
9       \$238,550,778, or an average for the review period of  
10      \$6.11. These costs were assigned to industrial customers  
11      of SCPC in competition with alternate fuel as well as  
12      certain Sale for Resale customers making ISP requests to  
13      serve industrial customers with alternate fuel capability.  
14      Total costs incurred for the review period were  
15      \$502,821,234, or an overall average of \$6.96 per  
16      dekatherm.

17   **Q. WHAT IS INCLUDED ON AUDIT EXHIBIT JRJ-3?**

18   A. Audit Exhibit JRJ-3 shows the detail of injections and  
19      withdrawals, by month, for each of the Storage Fields on  
20      the Southern and Transco interstate pipelines. The  
21      Southern system's Customer Storage Service (CSS) has two  
22      fields: Muldon, located in Prairie County, Mississippi and  
23      Bear Creek, located in Bienville Parish, Louisiana. The  
24      Transco system has four fields: General Storage Service

1 (GSS) located in Potter and Clinton counties,  
2 Pennsylvania, Eminence Storage Service (ESS) located in  
3 Covington County, Mississippi, a Liquefied Natural Gas  
4 Storage Service (LGA) located in Carlstadt, New Jersey and  
5 Washington Storage Service (WSS) located in St. Landry  
6 Parish, Louisiana. For the period under review, the  
7 Transco fields had total injections of 1,099,665  
8 dekatherms at a total cost of \$7,103,543 which converts to  
9 an average injection rate of \$6.46 per dekatherm.  
10 Withdrawals totaled 861,128 dekatherms at a total cost of  
11 \$4,237,682 which converts to an average withdrawal rate of  
12 \$4.92 per dekatherm. Total Transco storage inventory at  
13 December 31, 2004 equaled 1,169,393 dekatherms with a  
14 total cost of \$7,045,914, or a weighted average cost of  
15 \$6.03 per dekatherm. The Southern system had total  
16 injections of 4,973,398 dekatherms at a total cost of  
17 \$32,143,283 which converts to an average injection rate of  
18 \$6.46 per dekatherm. Withdrawals totaled 3,463,673  
19 dekatherms at a total cost of \$21,684,981 which converts  
20 to an average withdrawal rate of \$6.26 per dekatherm.  
21 Total Southern storage inventory at December 31, 2004  
22 equaled 4,140,293 dekatherms at a total cost of  
23 \$27,061,673, or a weighted average cost of \$6.54 per  
24 dekatherm. Total storage inventory at the beginning of the

1 review period totaled 3,561,424 dekatherms at a cost of  
2 \$20,783,423, or a weighted average cost of \$5.84 per  
3 dekatherm. Total storage at December 31, 2004 totaled  
4 5,309,686 dekatherms at a cost of \$34,107,586, or a  
5 weighted average cost per dekatherm of \$6.42.

6 **Q. WHAT IS INCLUDED ON AUDIT EXHIBIT JRJ-4?**

7 A. Audit Exhibit JRJ-4, details, by month, LNG inventory  
8 activities for the Salley and Bushy Park facilities. These  
9 inventories are reported on an MCF basis. This exhibit  
10 summarizes all the activity affecting inventory including  
11 Boil-off, Vaporization, Liquefaction, Volume transfers  
12 between facilities, Gas Lost to Atmosphere, Volume  
13 Adjustment, Transportation expenses and Direct Costs  
14 Capitalized. The Salley facility began the review period  
15 with an inventory of 793,848 MCF at a cost of \$5,390,082,  
16 or a weighted average rate of \$6.79 per MCF. Salley  
17 inventory at December 31, 2004 totaled 811,569 MCF at a  
18 total cost of \$5,875,387, or a weighted average rate of  
19 \$7.24 per MCF. The Bushy Park facility began the review  
20 period with an inventory of 757,985 MCF at a cost of  
21 \$4,411,765, or a weighted average rate of \$5.82 per MCF.  
22 Bushy Park inventory at December 31, 2004 totaled 920,911  
23 MCF at a total cost of \$6,340,076, or an average rate of  
24 \$6.88 per MCF. Capitalized costs at both facilities

1 consist mostly of electric expenses associated with the  
2 liquefaction capability at the Bushy Park facility, some  
3 of which are allocated to Salley based on the ratio of  
4 volume trucked to Salley. Transportation Expenses charged  
5 to Salley are the result of trucking expenses related to  
6 the transportation of 180,576 MCF from Bushy Park to  
7 Salley during the month of July 2004.

8 Q. WHAT IS INCLUDED ON AUDIT EXHIBIT JRJ-5?

9 A. Audit Exhibit JRJ-5 details the results of the Company's  
10 hedging program for the period under review. These  
11 results are reflected in gains or losses, on a monthly  
12 basis, net of brokerage fees and commissions, resulting  
13 from the purchase of options to buy gas futures contracts  
14 ("Call Options") and the purchase of options to sell gas  
15 futures contracts ("Put Options"). The Company purchased  
16 these "Call" and "Put" options at various strike prices.  
17 The strike price is the specified price at which a gas  
18 futures contract could be bought (Call Option) or sold  
19 (Put Option) if the options were exercised. During the  
20 review period the Company purchased a net of 790 "Call/  
21 (Put)" Options. The purchases and/or sales of these  
22 options were verified by tracing these transactions to the  
23 broker statements in detail. The purchase and sale of  
24 options for the review period resulted in a net loss,

1 including fees, of \$2,413,135. This amount is included on  
2 Audit Exhibit JRJ-1 and is an increase to the Invoice Cost  
3 in calculating Cost of Gas for the review period.

4 **Q. WHAT IS THE ORS'S FINDINGS REGARDING SCPC'S GAS COSTS?**

5 A. It is the opinion of ORS that gas costs are accurately  
6 stated and that amounts shown fairly represent the  
7 Company's costs incurred for the period January through  
8 December 2004. Further it appears that the Company is in  
9 compliance with Commission procedures approved in prior  
10 Commission orders and that the Company has recovered no  
11 more or no less than actual gas costs for the review  
12 period.

13 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

14 A. Yes, it does.

**DIRECT EXHIBITS**

**OF**

**JAY R. JASHINSKY**

**South Carolina Pipeline Corporation -  
Annual Review of Purchased Gas  
Adjustment (PGA) and Gas Purchasing  
Policies**

**SOUTH CAROLINA PIPELINE CORPORATION**  
**COST OF GAS COMPUTATION**  
**FOR TWELVE MONTHS ENDED DECEMBER 31, 2004**

Month	Invoice Costs		Total Invoice Costs	Storage (Transco)		Storage (Southern)		Net Storage Activity
	Transco	Southern		Injections	Withdrawals	Injections	Withdrawals	
Jan-04	\$ 17,794,032	\$ 38,633,831	\$ 56,427,863	\$ (88,980)	\$ 1,224,311	\$ (1,664,843)	\$ 7,276,574	\$ 6,747,062
Feb-04	16,196,087	40,326,761	56,522,848	(4,179)	1,236,456	(2,580,358)	1,377,337	29,256
Mar-04	13,405,783	25,853,426	39,259,209	(500,060)	528,789	(3,810,170)	1,445,628	(2,335,813)
Apr-04	4,491,043	31,543,302	36,034,345	(45,623)	162,413	(1,018,296)	850,304	(51,202)
May-04	4,623,184	33,840,435	38,463,619	(1,203,669)	2,707	(2,438,836)	347,464	(3,292,334)
Jun-04	4,945,140	35,062,587	40,007,727	(1,298,252)	13,971	(6,204,365)	26,144	(7,462,502)
Jul-04	4,783,862	31,563,297	36,347,159	(1,139,432)	7,997	(2,998,351)	370,789	(3,758,997)
Aug-04	4,666,840	29,751,378	34,418,218	(1,026,531)	33,475	(2,004,486)	955,008	(2,042,534)
Sep-04	3,297,690	22,702,912	26,000,602	(322,750)	374,190	(983,735)	3,158,202	2,225,907
Oct-04	4,092,371	29,510,565	33,602,936	(456,394)	93,766	(1,681,526)	1,028,654	(1,015,500)
Nov-04	16,996,804	31,391,817	48,388,621	(395,552)	4,130	(2,496,584)	3,222,380	334,374
Dec-04	49,042,139	21,345,312	70,387,451	(622,121)	555,477	(4,261,733)	1,626,497	(2,701,880)
Totals	\$ 144,334,975	\$ 371,525,623	\$ 515,860,598	\$ (7,103,543)	\$ 4,237,682	\$ (32,143,283)	\$ 21,684,981	\$ (13,324,163)

Month	LNG		Capacity Release	Supplier Refunds	Trading (Gains)/ Losses/Expenses		Total Cost of Gas
	Liquefaction	Vaporization				Other	
Jan-04	\$ -	\$ 952,900	\$ 196,069	\$ -	\$ 74,974	\$ (1,835)	\$ 64,397,033
Feb-04	-	372,970	169,521	(7,235)	1,046,333	129,255	58,262,948
Mar-04	-	4,113	200,185	-	951,251	13,332	38,092,277
Apr-04	(1,247,183)	-	196,967	-	174,099	26,814	35,133,756
May-04	(1,291,472)	-	235,212	-	(187,079)	(148,707)	33,779,239
Jun-04	-	-	185,586	-	(334,956)	(4,703)	32,391,152
Jul-04	-	-	289,893	-	(79,717)	28,940	32,827,278
Aug-04	-	-	211,978	(1,787)	44,887	229	32,630,991
Sep-04	(10,072)	-	200,717	(1,046)	59,204	(96,739)	28,378,573
Oct-04	(1,350,735)	-	228,830	(16,340)	88,089	21,442	31,552,695
Nov-04	(1,611,571)	-	239,794	-	182,495	(294,755)	47,238,668
Dec-04	-	27,356	216,764	(6,174)	393,554	(179,184)	68,136,624
Totals	\$ (5,511,033)	\$ 1,357,339	\$ 2,571,516	\$ (32,582)	\$ 2,413,135	\$ (505,911)	\$ 502,821,234

Cumulative (Gain)/Loss at 01-01-04  
Cumulative (Gain)/Loss since inception

4,237,197  
6,650,332



**SOUTH CAROLINA PIPELINE CORPORATION  
GAS COST ASSIGNMENT  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2004**

Month	Non-Competitive Customers									
	Commodity Purchases			Misc. Chgs./ Adj.	Supplier Refunds	Demand in WACOG	Cap. Rel. Credits	Storage Withdrawn		
	DTs	Rate	Commodity					DTs	Rate	Amount
Jan-04	4,266,630 \$	6.36 \$	27,135,335 \$	14,001 \$	0 \$	907,992 \$	0	1,396,038 \$	6.18 \$	8,626,385
Feb-04	4,820,909	5.99	28,899,461	21,698	(7,235)	871,117	0	469,404	5.68	2,666,993
Mar-04	2,666,865	5.37	14,309,530	36,135	0	911,645	0	332,357	5.98	1,985,851
Apr-04	1,053,985	5.67	5,971,538	8,542	0	883,651	(84)	171,006	5.96	1,018,702
May-04	879,468	6.04	5,309,602	0	0	909,314	0	57,174	6.16	352,194
Jun-04	604,859	6.85	4,145,334	0	0	891,400	0	6,760	5.97	40,331
Jul-04	563,840	6.32	3,564,046	0	0	912,544	0	59,807	6.37	380,896
Aug-04	618,048	6.19	3,826,526	0	(1,787)	907,929	0	155,878	6.37	993,340
Sep-04	300,701	4.91	1,475,490	0	(1,046)	890,770	0	444,480	6.37	2,833,317
Oct-04	698,589	5.82	4,062,454	0	(16,340)	909,551	(6,027)	178,689	6.31	1,127,925
Nov-04	3,529,856	7.76	27,380,252	0	0	898,090	(290)	510,928	6.35	3,242,483
Dec-04	6,286,356	8.06	50,659,756	0	(6,174)	922,700	(1,263)	340,448	6.44	2,192,348
Totals	26,290,106 \$	6.72 \$	176,739,324 \$	80,376 \$	(32,582) \$	10,816,703 \$	(7,664)	4,122,969 \$	6.18 \$	25,460,765

Month	Non-Competitive Customers									
	Company Use			LNG			Totals			Co. Use Surcharge
	DTs	Rate	Amount	DTs	Rate	Amount	DTs	Rate	Amount	
Jan-04	(73,921) \$	6.31 \$	(466,397)	201,562 \$	5.70 \$	1,148,969 \$	5,790,309 \$	6.45 \$	37,366,285 \$	0.08
Feb-04	(130,135)	6.16	(801,751)	93,737	5.79	542,491	5,253,915	6.13	32,192,774	0.14
Mar-04	(57,661)	5.77	(332,548)	32,881	6.21	204,298	2,974,442	5.75	17,114,911	0.10
Apr-04	(14,222)	5.87	(83,444)	31,102	6.33	196,967	1,241,871	6.44	7,995,872	0.06
May-04	13,598	5.87	79,782	36,397	6.46	235,213	986,637	6.98	6,886,105	0.04
Jun-04	5,364	6.31	33,824	28,484	6.52	185,586	645,467	8.21	5,296,475	0.01
Jul-04	10,139	6.22	63,030	44,744	6.48	289,892	678,530	7.68	5,210,408	(0.02)
Aug-04	(32,495)	6.30	(204,559)	32,245	6.57	211,978	773,676	7.41	5,733,427	0.07
Sep-04	(18,992)	5.89	(111,811)	30,668	6.54	200,717	756,857	6.99	5,287,437	0.05
Oct-04	12,024	6.02	72,400	34,644	6.61	228,830	923,946	6.90	6,378,793	(0.03)
Nov-04	(9,008)	29.12	(262,351)	34,822	6.90	240,215	4,066,598	7.75	31,498,399	0.01
Dec-04	(41,828)	12.67	(529,858)	35,465	6.87	243,698	6,620,441	8.08	53,481,207	0.04
Totals	(337,137) \$	7.54 \$	(2,543,683)	636,751 \$	6.17 \$	3,928,854 \$	30,712,689 \$	6.98 \$	214,442,093 \$	0.07

**SOUTH CAROLINA PIPELINE CORPORATION  
GAS COST ASSIGNMENT  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2004**

Non-Competitive Customers										
	Total Base Rate	Risk Mgmt.	Risk Mgmt. Rate/DT	Other Demand	Company Use			Totals		
					DTs	Rate	Amount	DTs	Rate	Amount
Jan-04	\$ 6.53	\$ 74,974	\$ 0.0128	\$ 2,165,707	73,921	\$ 6.31	\$ 466,397	5,864,230	\$ 6.83	\$ 40,073,363
Feb-04	6.27	1,046,333	0.1943	2,138,269	130,135	6.16	801,751	5,384,050	6.72	36,179,127
Mar-04	5.86	951,251	0.3137	2,162,064	57,661	5.77	332,548	3,032,103	6.78	20,560,774
Apr-04	6.50	174,099	0.1386	2,092,144	14,222	5.87	83,443	1,256,093	8.24	10,345,558
May-04	7.01	(187,079)	(0.1923)	2,167,870	(13,598)	5.87	(79,782)	973,039	9.03	8,787,114
Jun-04	8.22	(334,956)	(0.5233)	2,181,218	(5,364)	6.31	(33,824)	640,103	11.11	7,108,913
Jul-04	7.66	(79,717)	(0.1193)	2,169,083	(10,139)	6.22	(63,030)	668,391	10.83	7,236,744
Aug-04	7.48	44,887	0.0557	2,139,609	32,495	6.30	204,559	806,171	10.08	8,122,482
Sep-04	7.03	59,204	0.0763	2,106,770	18,992	5.89	111,812	775,849	9.75	7,565,223
Oct-04	6.87	88,089	0.0966	2,151,398	(12,024)	6.02	(72,400)	911,922	9.37	8,545,880
Nov-04	7.76	182,495	0.0448	2,144,684	9,008	7.57	68,189	4,075,606	8.32	33,893,767
Dec-04	8.11	393,554	0.0591	2,163,257	41,828	8.00	334,562	6,662,269	8.46	56,372,580
Totals	\$ 7.05	\$ 2,413,135	\$ 0.0777	\$ 25,782,073	337,137	\$ 6.39	\$ 2,154,225	31,049,826	\$ 7.88	\$ 244,791,526

Urquhart Plant						ISPR Customers			Total Customers			
Commodity Purchases					Demand Charges	Total Rate/DT	DTs	Rate	Amount	DTs	Rate	Amount
DTs	Rate	Amount										
Jan-04	215,824	\$ 6.54	\$ 1,411,216	\$ 553,382	9.10	3,513,490	\$ 6.36	\$ 22,359,072	9,593,544	\$ 6.71	\$ 64,397,033	
Feb-04	380,741	5.70	2,168,823	553,382	7.15	3,323,487	5.83	19,361,616	9,088,278	6.41	58,262,948	
Mar-04	122,477	5.87	718,429	553,382	10.38	3,073,709	5.29	16,259,692	6,228,289	6.12	38,092,277	
Apr-04	491,511	5.94	2,920,043	553,382	7.07	3,879,088	5.49	21,314,773	5,626,692	6.24	35,133,756	
May-04	233,715	6.55	1,530,077	553,382	8.91	3,786,879	6.05	22,908,666	4,993,633	6.76	33,779,239	
Jun-04	20,000	6.81	136,142	553,382	34.48	3,580,337	6.87	24,592,715	4,240,440	7.64	32,391,152	
Jul-04	315,704	6.28	1,983,482	553,382	8.04	3,626,221	6.36	23,053,670	4,610,316	7.12	32,827,278	
Aug-04	168,714	6.02	1,015,031	550,830	9.28	3,706,873	6.19	22,942,648	4,681,758	6.97	32,630,991	
Sep-04	116,171	5.72	664,070	550,830	10.46	3,717,738	5.27	19,598,450	4,609,758	6.16	28,378,573	
Oct-04	10,000	0.00	56,506	549,298	0.00	3,820,627	5.86	22,401,011	4,742,549	6.65	31,552,695	
Nov-04	33,261	7.57	251,884	549,298	24.09	1,634,851	7.67	12,543,719	5,743,718	8.22	47,238,668	
Dec-04	0	0.00	0	549,298	0.00	1,407,315	7.97	11,214,746	8,069,584	8.44	68,136,624	
Totals	2,108,118	\$ 6.10	\$ 12,855,703	\$ 6,623,228	9.24	39,070,615	\$ 6.11	\$ 238,550,778	72,228,559	\$ 6.96	\$ 502,821,234	

**SOUTH CAROLINA PIPELINE CORPORATION  
STORAGE INVENTORY ACTIVITY  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2004**

	Transco GSS			Transco GSS			Transco GSS		
	DTs	Injections Price	Amount	DTs	Withdrawals Price	Amount	DTs	Balance Amount	Wtd. Cost
Beg. Bal.							70,648	\$ 364,748	\$ 5.16289
Jan-04	1,068	\$ 0.00000	\$ 7,027	(5,812)	\$ 5.16294	\$ (30,007)	65,904	341,768	5.18585
Feb-04	0	0.00000	138	(29,691)	5.18585	(153,973)	36,213	187,933	5.18966
Mar-04	7,360	5.42745	39,946	0	0.00000	(101,168)	43,573	126,711	2.90802
Apr-04	0	0.00000	0	(19,494)	0.00000	0	24,079	126,711	5.26230
May-04	11,867	6.19626	73,531	0	0.00000	0	35,946	200,242	5.57063
Jun-04	10,971	6.98332	76,614	0	0.00000	0	46,917	276,856	5.90097
Jul-04	11,036	6.44364	71,112	0	0.00000	0	57,953	347,968	6.00431
Aug-04	11,036	6.30881	69,624	0	0.00000	0	68,989	417,592	6.05302
Sep-04	7,675	5.32013	40,832	(450)	0.00000	(2,724)	76,214	455,700	5.97922
Oct-04	0	0.00000	0	0	0.00000	0	76,214	455,700	5.97922
Nov-04	0	0.00000	0	0	0.00000	0	76,214	455,700	5.97922
Dec-04	0	0.00000	0	(1,454)	5.97937	(8,694)	74,760	447,006	5.97921
	<u>61,013</u>	<u>\$ 6.20891</u>	<u>\$ 378,824</u>	<u>(56,901)</u>	<u>\$ 5.21196</u>	<u>\$ (296,566)</u>	<u>74,760</u>	<u>\$ 447,006</u>	<u>\$ 5.97921</u>

  

	Transco ESS			Transco ESS			Transco ESS		
	DTs	Injections Price	Amount	DTs	Withdrawals Price	Amount	DTs	Balance Amount	Wtd. Cost
Beg. Bal.							54,536	\$ 108,774	\$ 1.99454
Jan-04	0	\$ 0.00000	\$ 0	0	\$ 0.00000	\$ 0	54,536	108,774	1.99454
Feb-04	0	0.00000	0	0	0.00000	0	54,536	108,774	1.99454
Mar-04	0	0.00000	0	0	0.00000	0	54,536	108,774	1.99454
Apr-04	0	0.00000	0	0	0.00000	0	54,536	108,774	1.99454
May-04	0	0.00000	0	0	0.00000	0	54,536	108,774	1.99454
Jun-04	0	0.00000	0	0	0.00000	0	54,536	108,774	1.99454
Jul-04	0	0.00000	0	0	0.00000	0	54,536	108,774	1.99454
Aug-04	0	0.00000	0	0	0.00000	0	54,536	108,774	1.99454
Sep-04	0	0.00000	0	0	0.00000	0	54,536	108,774	1.99454
Oct-04	0	0.00000	0	0	0.00000	0	54,536	108,774	1.99454
Nov-04	0	0.00000	0	0	0.00000	0	54,536	108,774	1.99454
Dec-04	0	0.00000	0	0	0.00000	0	54,536	108,774	1.99454
	<u>0</u>	<u>\$ 0.00000</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0.00000</u>	<u>\$ 0</u>	<u>54,536</u>	<u>\$ 108,774</u>	<u>\$ 1.99454</u>

**SOUTH CAROLINA PIPELINE CORPORATION**  
**STORAGE INVENTORY ACTIVITY**  
**FOR TWELVE MONTHS ENDED DECEMBER 31, 2004**

Transco LNG				Transco LNG				Transco LNG			
Injections				Withdrawals				Balance			
DTs	Price	Amount		DTs	Price	Amount		DTs	Amount	Wtd. Cost	
Beg. Bal.								8,280	\$	42,980	\$ 5.19082
Jan-04	156	\$ 6.57051	\$ 1,025	0	\$ 0.00000	\$ 0		8,436		44,005	5.21633
Feb-04	0	0.00000	0	(2,561)	5.21632	(13,359)		5,875		30,646	5.21634
Mar-04	884	5.39932	4,773	0	0.00000	0		6,759		35,419	5.24027
Apr-04	0	0.00000	0	0	0.00000	0		6,759		35,419	5.24027
May-04	623	6.19422	3,859	0	0.00000	0		7,382		39,278	5.32078
Jun-04	1,560	6.98462	10,896	0	0.00000	0		8,942		50,174	5.61105
Jul-04	1,404	6.44302	9,046	0	0.00000	0		10,346		59,220	5.72395
Aug-04	0	0.00000	0	0	0.00000	0		10,346		59,220	5.72395
Sep-04	0	0.00000	0	0	0.00000	0		10,346		59,220	5.72395
Oct-04	0	0.00000	0	0	0.00000	0		10,346		59,220	5.72395
Nov-04	0	0.00000	0	0	0.00000	0		10,346		59,220	5.72395
Dec-04	0	0.00000	0	(518)	5.72394	(2,965)		9,828		56,255	5.72395
	<u>4,627</u>	<u>\$ 6.39702</u>	<u>\$ 29,599</u>	<u>(3,079)</u>	<u>\$ 5.30172</u>	<u>\$ (16,324)</u>		<u>9,828</u>	<u>\$</u>	<u>56,255</u>	<u>\$ 5.72395</u>
Transco WSS				Transco WSS				Transco WSS			
Injections				Withdrawals				Balance			
DTs	Price	Amount		DTs	Price	Amount		DTs	Amount	Wtd. Cost	
Beg. Bal.								797,392	\$	3,663,550	\$ 4.59442
Jan-04	12,301	\$ 6.57898	\$ 80,928	(259,906)	\$ 4.59514	\$ (1,194,304)		549,787		2,550,174	4.63848
Feb-04	0	0.00000	4,041	(230,431)	4.63967	(1,069,124)		319,356		1,485,091	4.65027
Mar-04	84,295	5.40176	455,341	(91,882)	4.65402	(427,621)		311,769		1,512,811	4.85235
Apr-04	8,120	5.61860	45,623	(33,396)	4.86325	(162,413)		286,493		1,396,021	4.87279
May-04	181,773	6.19607	1,126,279	(554)	4.88628	(2,707)		467,712		2,519,593	5.38706
Jun-04	173,381	6.98313	1,210,742	(2,584)	5.40673	(13,971)		638,509		3,716,364	5.82038
Jul-04	164,372	6.44437	1,059,274	(1,369)	5.84149	(7,997)		801,512		4,767,641	5.94831
Aug-04	151,681	6.30868	956,907	(5,610)	5.96702	(33,475)		947,583		5,691,073	6.00588
Sep-04	52,991	5.32011	281,918	(70,332)	5.28161	(371,466)		930,242		5,601,525	6.02158
Oct-04	75,761	6.02413	456,394	(15,528)	6.03851	(93,766)		990,475		5,964,153	6.02151
Nov-04	51,568	7.67049	395,552	(684)	6.03801	(4,130)		1,041,359		6,355,575	6.10315
Dec-04	77,782	0.00000	622,121	(88,872)	6.11912	(543,818)		1,030,269		6,433,878	6.24485
	<u>1,034,025</u>	<u>\$ 6.47481</u>	<u>\$ 6,695,120</u>	<u>(801,148)</u>	<u>\$ 4.89896</u>	<u>\$ (3,924,792)</u>		<u>1,030,269</u>	<u>\$</u>	<u>6,433,878.00</u>	<u>\$ 6.24485</u>

**SOUTH CAROLINA PIPELINE CORPORATION  
STORAGE INVENTORY ACTIVITY  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2004**

	Transco Total			Transco Total			Transco Total		
	DTs	Price	Amount	DTs	Price	Amount	DTs	Balance Amount	Wtd. Cost
Beg. Bal.							930,856	\$ 4,180,052	\$ 4.49055
Jan-04	13,525	\$ 6.57893	\$ 88,980	(265,718)	\$ 4.60756	\$ (1,224,311)	678,663	3,044,721	4.48635
Feb-04	0	0.00000	4,179	(262,683)	4.70703	(1,236,456)	415,980	1,812,444	4.35705
Mar-04	92,539	5.40378	500,060	(91,882)	5.75509	(528,789)	416,637	1,783,715	4.28122
Apr-04	8,120	5.61860	45,623	(52,890)	3.07077	(162,413)	371,867	1,666,925	4.48258
May-04	194,263	6.19608	1,203,669	(554)	4.88628	(2,707)	565,576	2,867,887	5.07074
Jun-04	185,912	6.98315	1,298,252	(2,584)	5.40673	(13,971)	748,904	4,152,168	5.54433
Jul-04	176,812	6.44431	1,139,432	(1,369)	5.84149	(7,997)	924,347	5,283,603	5.71604
Aug-04	162,717	6.30869	1,026,531	(5,610)	5.96702	(33,475)	1,081,454	6,276,659	5.80391
Sep-04	60,666	5.32011	322,750	(70,782)	5.28651	(374,190)	1,071,338	6,225,219	5.81070
Oct-04	75,761	6.02413	456,394	(15,528)	6.03851	(93,766)	1,131,571	6,587,847	5.82186
Nov-04	51,568	7.67049	395,552	(684)	6.03801	(4,130)	1,182,455	6,979,269	5.90235
Dec-04	77,782	0.00000	622,121	(90,844)	6.11463	(555,477)	1,169,393	7,045,914	6.02527
	<u>1,099,665</u>	<u>\$ 6.45973</u>	<u>\$ 7,103,543</u>	<u>(861,128)</u>	<u>\$ 4.92108</u>	<u>\$ (4,237,682)</u>	<u>1,169,393</u>	<u>\$ 7,045,914</u>	<u>\$ 6.02527</u>

**SOUTH CAROLINA PIPELINE CORPORATION  
STORAGE INVENTORY ACTIVITY  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2004**

Southern (CSS)				Southern (CSS)			Southern (CSS)		
Injections				Withdrawals			Balance		
DTs	Price	Amount		DTs	Price	Amount	DTs	Amount	Wtd. Cost
Beg. Bal.							2,630,568	\$ 16,603,371	\$ 6.31171
Jan-04	237,475	\$ 7.01060	\$ 1,664,843	(1,153,611)	\$ 6.30765	\$ (7,276,574)	1,714,432	10,991,640	6.41124
Feb-04	420,424	6.13751	2,580,358	(215,007)	6.40601	(1,377,337)	1,919,849	12,194,661	6.35189
Mar-04	723,625	5.26539	3,810,170	(227,777)	6.34668	(1,445,628)	2,415,697	14,559,203	6.02692
Apr-04	168,514	6.04280	1,018,296	(141,236)	6.02045	(850,304)	2,442,975	14,727,195	6.02839
May-04	400,935	6.08287	2,438,836	(57,699)	6.02201	(347,464)	2,786,211	16,818,567	6.03636
Jun-04	911,212	6.80891	6,204,365	(4,335)	0.00000	(26,144)	3,693,088	22,996,788	6.22698
Jul-04	476,802	6.28846	2,998,351	(59,579)	6.22348	(370,789)	4,110,311	25,624,350	6.23416
Aug-04	327,255	6.12515	2,004,486	(153,266)	0.00000	(955,008)	4,284,300	26,673,828	6.22595
Sep-04	191,426	5.13898	983,735	(507,530)	6.22269	(3,158,202)	3,968,196	24,499,361	6.17393
Oct-04	253,974	6.62086	1,681,526	(166,714)	0.00000	(1,028,654)	4,055,456	25,152,233	6.20207
Nov-04	322,937	7.73087	2,496,584	(519,862)	6.19853	(3,222,380)	3,858,531	24,426,437	6.33050
Dec-04	538,819	7.90940	4,261,733	(257,057)	6.32738	(1,626,497)	4,140,293	27,061,673	6.53617
	<u>4,973,398</u>	<u>\$ 6.46304</u>	<u>\$ 32,143,283</u>	<u>(3,463,673)</u>	<u>\$ 6.26069</u>	<u>\$ (21,684,981)</u>	<u>4,140,293</u>	<u>\$ 27,061,673</u>	<u>\$ 6.53617</u>
Total Southern				Total Southern			Total Southern		
Injections				Withdrawals			Balance		
DTs	Price	Amount		DTs	Price	Amount	DTs	Amount	Wtd. Cost
Beg. Bal.							2,630,568	\$ 16,603,371	\$ 6.31171
Jan-04	237,475	\$ 7.01060	\$ 1,664,843	(1,153,611)	\$ 6.30765	\$ (7,276,574)	1,714,432	10,991,640	6.41124
Feb-04	420,424	6.13751	2,580,358	(215,007)	6.40601	(1,377,337)	1,919,849	12,194,661	6.35189
Mar-04	723,625	5.26539	3,810,170	(227,777)	6.34668	(1,445,628)	2,415,697	14,559,203	6.02692
Apr-04	168,514	6.04280	1,018,296	(141,236)	6.02045	(850,304)	2,442,975	14,727,195	6.02839
May-04	400,935	6.08287	2,438,836	(57,699)	6.02201	(347,464)	2,786,211	16,818,567	6.03636
Jun-04	911,212	6.80891	6,204,365	(4,335)	6.03091	(26,144)	3,693,088	22,996,788	6.22698
Jul-04	476,802	6.28846	2,998,351	(59,579)	6.22348	(370,789)	4,110,311	25,624,350	6.23416
Aug-04	327,255	6.12515	2,004,486	(153,266)	6.23105	(955,008)	4,284,300	26,673,828	6.22595
Sep-04	191,426	5.13898	983,735	(507,530)	6.22269	(3,158,202)	3,968,196	24,499,361	6.17393
Oct-04	253,974	6.62086	1,681,526	(166,714)	6.17017	(1,028,654)	4,055,456	25,152,233	6.20207
Nov-04	322,937	7.73087	2,496,584	(519,862)	6.19853	(3,222,380)	3,858,531	24,426,437	6.33050
Dec-04	538,819	7.90940	4,261,733	(257,057)	6.32738	(1,626,497)	4,140,293	27,061,673	6.53617
	<u>4,973,398</u>	<u>\$ 6.46304</u>	<u>\$ 32,143,283</u>	<u>(3,463,673)</u>	<u>\$ 6.26069</u>	<u>\$ (21,684,981)</u>	<u>4,140,293</u>	<u>\$ 27,061,673</u>	<u>\$ 6.53617</u>

**SOUTH CAROLINA PIPELINE CORPORATION  
STORAGE INVENTORY ACTIVITY  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2004**

	Total Storage Injections			Total Storage Withdrawals			Total Storage Balance		
	DTs	Price	Amount	DTs	Price	Amount	DTs	Amount	Wtd. Cost
Beg. Bal.							3,561,424	\$ 20,783,423	\$ 5.83571
Jan-04	251,000	\$ 6.98734	\$ 1,753,823	(1,419,329)	\$ 5.98937	\$ (8,500,885)	2,393,095	14,036,361	5.86536
Feb-04	420,424	6.14745	2,584,537	(477,690)	5.47173	(2,613,793)	2,335,829	14,007,105	5.99663
Mar-04	816,164	5.28108	4,310,230	(319,659)	6.17664	(1,974,417)	2,832,334	16,342,918	5.77012
Apr-04	176,634	6.02330	1,063,919	(194,126)	5.21680	(1,012,717)	2,814,842	16,394,120	5.82417
May-04	595,198	6.11982	3,642,505	(58,253)	6.01121	(350,171)	3,351,787	19,686,454	5.87342
Jun-04	1,097,124	6.83844	7,502,617	(6,919)	5.79780	(40,115)	4,441,992	27,148,956	6.11189
Jul-04	653,614	6.33062	4,137,783	(60,948)	6.21490	(378,786)	5,034,658	30,907,953	6.13904
Aug-04	489,972	6.18610	3,031,017	(158,876)	6.22173	(988,483)	5,365,754	32,950,487	6.14089
Sep-04	252,092	5.18257	1,306,485	(578,312)	6.10811	(3,532,392)	5,039,534	30,724,580	6.09671
Oct-04	329,735	6.48375	2,137,920	(182,242)	6.15895	(1,122,420)	5,187,027	31,740,080	6.11913
Nov-04	374,505	7.72256	2,892,136	(520,546)	6.19832	(3,226,510)	5,040,986	31,405,706	6.23007
Dec-04	616,601	7.92061	4,883,854	(347,901)	6.27182	(2,181,974)	5,309,686	34,107,586	6.42365
	<u>6,073,063</u>	<u>\$ 6.46244</u>	<u>\$ 39,246,826</u>	<u>(4,324,801)</u>	<u>\$ 5.99396</u>	<u>\$ (25,922,663)</u>	<u>5,309,686</u>	<u>\$ 34,107,586.00</u>	<u>\$ 6.42365</u>

**SOUTH CAROLINA PIPELINE CORPORATION**  
**LNG INVENTORY ACTIVITY**  
**FOR TWELVE MONTHS ENDED DECEMBER 31, 2004**

Salley LNG									
Boil-off			Vaporization			Volume Transfer			
MCF	Rate	Amount	MCF	Rate	Amount	MCF	Rate	Amount	
Beg. Bal.									
Jan-04	(12,839) \$	6.800296 \$	(87,309)	0 \$	0.000000 \$	0	0 \$	0.000000 \$	0
Feb-04	(10,948)	6.809463	(74,550)	0	0.000000	0	0	0.000000	0
Mar-04	(13,735)	6.819512	(93,666)	0	0.000000	0	0	0.000000	0
Apr-04	(11,895)	6.911475	(82,212)	0	0.000000	0	0	0.000000	0
May-04	(13,905)	7.012370	(97,507)	0	0.000000	0	0	0.000000	0
Jun-04	(12,351)	7.021861	(86,727)	0	0.000000	0	0	0.000000	0
Jul-04	(21,178)	6.903390	(146,200)	0	0.000000	0	180,576	6.242347	1,127,218
Aug-04	(16,014)	7.066817	(113,168)	0	0.000000	0	0	0.000000	0
Sep-04	(13,278)	7.076066	(93,956)	0	0.000000	0	0	0.000000	0
Oct-04	(13,054)	7.167535	(93,565)	0	0.000000	0	0	0.000000	0
Nov-04	(12,551)	7.256235	(91,073)	0	0.000000	0	0	0.000000	0
Dec-04	(12,373)	7.264043	(89,878)	(1,472)	7.264266	(10,693)	0	0.000000	0
Totals	<u>(164,121) \$</u>	<u>7.005874 \$</u>	<u>(1,149,811)</u>	<u>(1,472) \$</u>	<u>7.264266 \$</u>	<u>(10,693)</u>	<u>180,576 \$</u>	<u>6.242347 \$</u>	<u>1,127,218</u>

Gas Lost To Atmosphere			Volume Adjustment MCF	Transp. Expense	Direct Costs Capitalized	Ending Balance		
MCF	Rate	Amount				MCF	Rate	Amount
Beg. Bal.						793,848 \$	6.789816 \$	5,390,082
Jan-04	0 \$	0.00 \$	0	0 \$	8,318	781,009	6.800294	5,311,091
Feb-04	0	0.00	0	0	7,161	770,061	6.809463	5,243,702
Mar-04	0	0.00	0	0	7,206	756,326	6.818808	5,157,242
Apr-04	0	0.00	0	0	70,646	744,431	6.912227	5,145,676
May-04	0	0.00	0	0	74,575	730,526	7.012405	5,122,744
Jun-04	0	0.00	0	0	6,884	718,175	7.021828	5,042,901
Jul-04	0	0.00	0	26,557	7,741	877,573	6.903377	6,058,217
Aug-04	0	0.00	0	136,686	6,757	861,559	7.066831	6,088,492
Sep-04	0	0.00	0	627	7,336	848,281	7.076074	6,002,499
Oct-04	0	0.00	0	0	77,595	835,227	7.167547	5,986,529
Nov-04	0	0.00	0	0	74,079	822,676	7.256241	5,969,535
Dec-04	0	0.00	0	0	6,423	811,569	7.239541	5,875,387
Totals	<u>0 \$</u>	<u>0.00 \$</u>	<u>0</u>	<u>2,738</u>	<u>163,870 \$</u>	<u>811,569 \$</u>	<u>7.239541 \$</u>	<u>5,875,387</u>



SOUTH CAROLINA PIPELINE CORPORATION  
LNG INVENTORY ACTIVITY  
FOR TWELVE MONTHS ENDED DECEMBER 31, 2004

	Boil-off				Bushy Park LNG				Derime Gas			
	Rate		Amount		Vaporization		Liquefaction		Rate		Amount	
	MCF				MCF		MCF					MCF
Beg. Bal.												
Jan-04	(18,615)	\$ 5.842600	\$ (108,760)		(163,095)	\$ 5.842607	\$ (952,900)		0	\$ 0.000000	\$ 0	0
Feb-04	(16,196)	5.863855	(94,971)		(63,605)	5.863847	(372,970)		0	0.000000	0	0
Mar-04	(18,049)	5.901657	(106,519)		(697)	0.000000	(4,113)		1,432	0.000000	0	(1,432)
Apr-04	(18,874)	6.080057	(114,755)		0	0.000000	0		198,418	6.285634	1,247,183	-
May-04	(22,157)	6.214966	(137,705)		0	0.000000	0		201,639	6.404872	1,291,472	0
Jun-04	(15,848)	6.237948	(98,859)		0	0.000000	0		0	0.000000	0	0
Jul-04	(23,019)	6.242365	(143,693)		0	0.000000	0		0	0.000000	0	0
Aug-04	(15,816)	6.247471	(98,810)		0	0.000000	0		0	0.000000	0	0
Sep-04	(16,988)	6.284495	(106,761)		0	0.000000	0		1,754	0.000000	10,072	(1,754)
Oct-04	(21,139)	6.398836	(135,265)		0	0.000000	0		209,324	6.452843	1,350,735	0
Nov-04	(21,882)	6.796499	(148,721)		0	0.000000	0		199,119	8.093507	1,611,571	0
Dec-04	(18,611)	6.817796	(126,886)		(2,444)	0.000000	(16,663)		0	0.000000	0	0
Totals	(227,194)	\$ 6.257670	\$ (1,421,705)		(229,841)	\$ 5.859033	\$ (1,346,646)		811,686	\$ 6.789612	\$ 5,511,033	(3,186)

	Gas Lost To Atmosphere				Volume Transfer Salley				Ending Balance			
	Rate		Amount		Rate		Amount		Costs		MCF	
	MCF				MCF				Capitalized			Rate
Beg. Bal.												
Jan-04	0	\$ 0.000000	\$ 0		0	\$ 0.000000	\$ 0		16,845	\$ 757,985	\$ 5.820386	\$ 4,411,765
Feb-04	0	0.000000	0		0	0.000000	0		21,655	577,880	5.826383	3,366,950
Mar-04	(342)	5.900585	(2,018)		0	0.000000	0		10,603	498,079	5.863857	2,920,664
Apr-04	0	0.000000	0		0	0.000000	0		52,877	478,991	5.884488	2,818,617
May-04	0	0.000000	0		0	0.000000	0		50,571	658,535	6.080044	4,003,922
Jun-04	0	0.000000	0		0	0.000000	0		19,241	838,017	6.214981	5,208,260
Jul-04	(60)	0.000000	(375)		(180,576)	6.242347	(1,127,218)		3,626	822,169	6.237941	5,128,642
Aug-04	(115)	0.000000	(718)		0	0.000000	0		3,166	618,514	6.242352	3,860,982
Sep-04	(30)	0.000000	(189)		0	0.000000	0		12,242	602,583	6.247471	3,764,620
Oct-04	0	0.000000	0		0	0.000000	0		36,932	585,565	6.284501	3,679,984
Nov-04	0	0.000000	0		0	0.000000	0		68,163	773,750	6.374651	4,932,386
Dec-04	0	0.000000	0		0	0.000000	0		20,226	950,987	6.796517	6,463,399
Totals	(547)	\$ 5.900585	\$ (3,300)		(180,576)	\$ 6.242347	\$ (1,127,218)		316,147	\$ 920,911	\$ 6.884570	\$ 6,340,076

Month	Type of Contract	No. of Contracts	Gain or (Loss)	Trading Fees	Gain or (Loss) Recognized	Consulting Fees	Zainet Software	Future-Source	Net Gain or (Loss)
Jan-04	Call Options/Futures	63	\$ (68,250)	\$ (1,727)	\$ (69,977)	\$ (4,500)	\$ 0	\$ (497)	\$ (74,974)
Feb-04	Call Options/Futures	172	(1,036,000)	(2,254)	(1,038,254)	(4,500)	(3,580)	0	(1,046,334)
Mar-04	Call Options/Futures	128	(943,750)	(1,211)	(944,961)	(4,500)	(1,790)	0	(951,251)
Apr-04	Call Options/Futures	70	(163,450)	(1,889)	(165,339)	(4,500)	(2,073)	(2,187)	(174,099)
May-04	Call Options/Futures	39	195,150	(1,052)	194,098	(4,500)	(1,790)	(729)	187,079
Jun-04	Call Options/Futures	40	342,800	(862)	341,938	(4,500)	(1,790)	(692)	334,956
Jul-04	Call Options/Futures	25	86,340	(493)	85,847	(4,500)	(1,630)	0	79,717
Aug-04	Call Options	29	(38,500)	(257)	(38,757)	(4,500)	(1,630)	0	(44,887)
Sep-04	Call Options	28	(50,750)	(248)	(50,998)	(4,500)	(1,630)	(2,076)	(59,204)
Oct-04	Call Options	34	(79,600)	(302)	(79,902)	(4,500)	(2,058)	(1,630)	(88,089)
Nov-04	Call Options/Futures	59	(173,000)	(1,321)	(174,321)	(4,500)	(2,045)	(1,630)	(182,495)
Dec-04	Call Options	103	(385,300)	(915)	(386,215)	(4,500)	(2,839)	0	(393,554)
Totals		790	\$ (2,314,310)	\$ (12,531)	\$ (2,326,841)	\$ (54,000)	\$ (22,854)	\$ (9,440)	\$ (2,413,135)
Total Increase to the Cost of Gas									\$ 2,413,135